

For More Information

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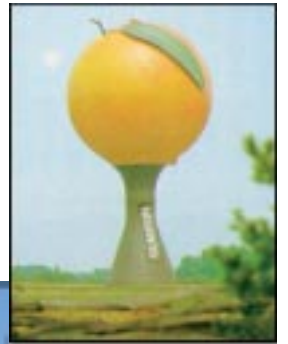


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Alabama Department of Economic and Community Affairs
Science, Technology and Energy Division
401 Adams Avenue
P.O. Box 5690
Montgomery, Alabama 36103-5690

The Local Government **Energy Loan Program** ~Including Rural School Systems~



“Enhancing Building Operations Through Energy Efficient Improvements in Alabama.”

Bob Riley
Governor



Program Synopsis

The Alabama Department of Economic and Community Affairs - Science, Technology and Energy (ADECA-STE) Division and its partners have established a revolving, low-cost, energy efficiency loan program for local governments and school systems in rural, low to moderate-income areas.

Through a public/private partnership with PowerSouth and the United States Department of Agriculture Rural Development, the Local Government Energy Loan Program offers loan funds to small, rural government entities including rural, public, and non-profit school systems to upgrade equipment and/or buildings to an energy-efficient level.

Eligibility

This program is specifically targeted to rural, low to moderate-income areas in Alabama. To be eligible, a facility must belong to:

- * a town or city with a maximum population of 50,000; or
- * a county with a maximum population of 100,000

In addition to city or county buildings, water and waste water systems and public or non-profit schools are eligible. Finally, the building must have been constructed before May 1, 1989 and must include a heating and/or cooling system.

Purpose

The Local Government Energy Loan Program will enable small, local government entities and rural school systems to receive a low-cost loan for energy audits, engineering, and energy efficiency measures.

Loan Limits

The maximum amount of a loan is \$150,000 per unit of local government or per school campus. Funding per school system is limited to \$300,000. This amount will include a 3 percent management fee to PowerSouth. The loan interest rate is 0 percent. The interest rate shall remain constant throughout the term of the loan.

Payment Terms

The loan term is a maximum of ten years. Quarterly repayments will be made to PowerSouth. Borrowers will be charged a 10 percent late charge for accounts that are not paid within 30 days of billing. Loans may be repaid at any time with no prepayment penalty.

Energy Audits

Each project will require an energy audit of a building, complex, water system, or waste water system. The audit must identify and specify energy savings and related cost savings that are likely to be realized as a result of modifying operations and maintenance procedures or acquiring and installing one or more energy conservation measures. Energy audits may be conducted by a utility company representative, an engineer, or a person with training and experience in conducting commercial energy audits. You may contact your local utility company for assistance.

Eligible Projects

Energy efficiency projects eligible under the local government loan program include the following:

- **Lighting retrofits**
- **HVAC equipment**

- **Heat recovery systems**
- **Load management devices**
- **Energy management systems**
- **Electrical distribution equipment**
- **Alternate/renewable energy systems**
- **Boiler and central plant improvements**
- **Sewage and water systems improvements**
- **Other cost effective energy retrofits**

How to Apply

Step 1. Identify the building(s), retrofits and/or measures to be implemented.

Step 2. Determine the availability of a Letter of Credit from a commercial bank or some other form of security for the loan that is acceptable to ADECA-STE.

Step 3. Attach a copy of the financial statement for the last year.

Step 4. Complete and mail Application for Eligibility form with financial statements attachments to:

**Ms. Renee' Fuller, LGELP Program Manager
Alabama Department of Economic
and Community Affairs
Science, Technology and Energy Division
P.O. Box 5690
Montgomery, AL 36103-5690**

Step 5. Your Application for Eligibility will be reviewed and if eligible, you will be required to secure an energy audit from either: 1) A registered Alabama engineer, 2) a person with training and experience in conducting commercial energy audits, or 3) a utility company representative.

Step 6. Submit energy audit to ADECA-STE for technical review.

Step 7. You will be notified by ADECA of loan approval or disapproval.

Step 8. All energy improvements must be completed before loan closing.

Step 9. A loan closing date will be set. You must present a Letter of Credit or other form of security approved by ADECA-STE at the closing.